

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6537

BILL NUMBER: HB 1340

NOTE PREPARED: Jan 6, 2003

BILL AMENDED:

SUBJECT: Proceedings Before the IURC.

FIRST AUTHOR: Rep. Pelath

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: The bill requires the Indiana Utility Regulatory Commission (IURC) to consider the impact of its proposed order or determination in a case before it on any of the following that have an interest in or will be affected by the order or determination:

- (1) The ratepayers or customers of a utility under its jurisdiction.
- (2) The employees of a utility under its jurisdiction.
- (3) A utility under its jurisdiction.

The bill requires the IURC to consider the impact of its determination on the public interest, regardless of whether the public interest was represented in the case by the Utility Consumer Counselor. The bill requires the IURC, at least ten days before issuing a final order in a proceeding, to serve on all parties any report, audit, examination, analysis, or recommendation that is prepared at the IURC's direction and not included in the record of the proceeding.

The bill prohibits the IURC from communicating with any of the following, or with an agent or representative of any of the following, about an issue in a proceeding, except on notice and with opportunity for all parties to participate:

- (1) A party to the proceeding.
- (2) A government agency.
- (3) A government official or the official's office staff.

The bill requires the IURC to give notice of an parte communication to all parties and to the IURC's secretary

for inclusion in the public record. It specifies information that a notice of ex parte communication must include.

The bill requires a utility lobbyist who lobbies an IURC representative through certain activities or gifts to file an activity report with the State Ethics Commission.

Effective Date: July 1, 2003.

Explanation of State Expenditures: *IURC:* While the provisions in this bill will require the IURC to evaluate current procedure, they are not expected to have a significant fiscal impact on the Commission's costs.

State Ethics Commission: The bill will require persons who communicate with representatives of the IURC for the purpose of influencing the IURC's administrative or legislative actions to register with the state Ethics Commission. The provisions of this bill could increase the Commission's administrative burden. However, it is presumed that any additional costs will be covered using existing staff and resources.

Background on IURC and Office of the Utility Consumer Counselor (OUCC) Funding: The operating budgets of the IURC and OUCC are funded by regulated utilities operating in Indiana. The IURC determines the rate at which to bill the utilities based on the two agencies' budgets, less reversions, divided by the total amount of gross intra-state operating revenue received by the regulated utilities for the previous fiscal year. Based on this formula, utilities are currently billed approximately 0.10% of their gross intra-state operating revenues to fund the IURC and OUCC. In FY 2002, fees from the utilities and fines generated approximately \$9.5 M.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Utility Regulatory Commission; Office of the Utility Consumer Counselor; State Ethics Commission.

Local Agencies Affected:

Information Sources:

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